

**40** ^{L01} **Corporation income tax return****2005****Check One:** ☐ Calendar Year January 1, 2005, through December 31, 2005☐ Fiscal Year beginning _____, 2005 and ending _____, _____**Is an extension
attached?**Yes ☐ No ☐**Date of incorporation**

____/____/____

Final returnYes ☐ No ☐**Please Use Mailing Label (If none, type or print)**

Name _____

Mailing address _____

City, State, Zip Code _____

Phone number _____

Federal employer identification no.

➤ ☐ - ☐ ☐ ☐ ☐ ☐ ☐ ☐

Is this a farming or ranching corporation?

➤ Yes ☐ No ☐

Business code (from federal return)

➤ ☐ ☐ ☐ ☐ ☐ ☐**Computation of tax liability****1** Income from (See instructions on page 3 before checking box):

➤ a. ☐ Single Corp. Entity b. ☐ Combined Report Method b1. ☐ 100% ND Consol. Return b2. ☐ Apportioning Corp Consol. Return c. ☐ Water's Edge Method c1. ☐ Water's Edge Method Consol. Return d. ☐ Other

2 Total additions (Enter amount from Schedule SA, line 9) _____**3** Total subtractions (Enter amount from Schedule SA, line 18) _____**4** North Dakota apportionable income (Subtract line 3 from the sum of lines 1 and 2) _____**5** Apportionment Factor (Factor from Schedule FACT or CR) _____**6** Income apportioned to North Dakota (line 4 multiplied by line 5) _____**7** Income allocated to North Dakota _____ less related expenses _____**8** North Dakota income (Add lines 6 and 7) _____**9** Exemption for new and expanding business (Attach worksheet - for consolidated return, amount from Sch. CR) _____**10** Renaissance zone income exemption (Amount from Sch. RZ - for consolidated return, amount from Sch. CR) _____**11** ND income after income exemptions (Subtract lines 9 and 10 from ln. 8) _____**12** North Dakota loss carryforward (Attach worksheet - for consolidated return, amount from Sch. CR) _____**13** North Dakota taxable income (Subtract line 12 from line 11) _____**14** Income tax due (See rates below) _____**15** Surtax on water's edge method election (3.5% of line 13) _____**16** Total North Dakota income tax due (Add lines 14 and 15) _____**Tax credits****17** Tax credits (Enter amount from Schedule TC, line 16) _____**Balance due or overpayment****18** Net income tax liab. (Subtract ln. 17 from ln. 16) (Corp. filing a consol. rtn., enter amt. from Sch. CR, Part 1, ln. 18a) **18** _____**19** 2005 Estimated income tax payments and payment with extension _____**20** If line 18 is greater than line 19, enter difference as **BALANCE DUE** (Enter \$0 if less than \$5) _____

a. Interest and penalty for Balance Due on line 20 _____

b. Interest on underpayment of estimated tax (Attach Form 40-UT) _____

c. Total **Payment Due** (Add lines 20, 20a and 20b - Pay to North Dakota State Tax Commissioner) _____If payment is to be made by Electronic Funds Transfer, check this box ☐ and enter date of payment _____**21** If line 19 is greater than line 18, enter difference less line 20b as **OVERPAYMENT** (Enter \$0 if less than \$5) (LV) **21** _____

a. Amount of line 21 to be credited to 2006 est. tax (Min. \$5) (Apply to quarter 1st 2nd 3rd 4th) _____

b. Amount of line 21 to be **Refunded** (Subtract line 21a from line 21. No refund under \$5) _____

I declare under the penalties of North Dakota Century Code § 12.1-11-02, which provides for a Class A misdemeanor for making a false statement in a governmental matter, that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return.

Date: _____ Signature of Officer: _____ Title: _____

Date: _____ Signature of Preparer: _____ Address: _____

Mail to: Office of State Tax Commissioner, 600 E. Boulevard Ave., Dept. 127, Bismarck, North Dakota 58505-0599
☐ I authorize the North Dakota Office of State Tax Commissioner to discuss this tax return with the preparer.
Tax Rate Table

\$ 0 to \$ 3,000 - 2.60% of North Dakota taxable income (line 13)
 \$ 3,000 to \$ 8,000 \$ 78.00 plus 4.10% of excess over \$ 3,000
 \$ 8,000 to \$ 20,000 \$ 283.00 plus 5.60% of excess over \$ 8,000
 \$ 20,000 to \$ 30,000 \$ 955.00 plus 6.40% of excess over \$ 20,000
 Over \$30,000 \$1,595.00 plus 7.00% of excess over \$30,000

"Buy North Dakota Products"

PLEASE DO NOT WRITE IN THIS SPACE



Name as shown on return

Federal employer I.D.

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Schedule SA: Statutory adjustments

This schedule is to be used by all corporations regardless of filing method.

Additions

- | | | |
|--|--------|-------|
| 1 Federal net operating loss deduction (Federal Form 1120, line 29a or Federal Form 1120-A, line 25a) ----- | (CA) 1 | _____ |
| 2 Special deductions (Federal Form 1120, line 29b or Federal Form 1120-A, line 25b) ----- | (CB) 2 | _____ |
| 3 All income taxes, franchise or privilege taxes measured by income, which were deducted to determine federal taxable income ----- | (CC) 3 | _____ |
| 4 North Dakota depreciation adjustment ----- | (CE) 4 | _____ |
| 5 Interest on state and local obligations (Excluding North Dakota obligations) ----- | (CF) 5 | _____ |
| 6 Other additions (Attach worksheet) ----- | (CG) 6 | _____ |
| 7 Domestic production activity income ----- | (CQ) 7 | _____ |
| 8 Extraterritorial income ----- | (CR) 8 | _____ |
| 9 Total additions (Add lines 1 through 8. Enter amount here and on Form 40, page 1, line 2) ----- | 9 | _____ |

Subtractions

- | | | |
|--|---------|-------|
| 10 Tax refunds received in 2005 (Attach worksheet) ----- | (CH) 10 | _____ |
| 11 Interest on United States obligations (Attach statement regarding obligations) ----- | (CI) 11 | _____ |
| 12 North Dakota depreciation adjustment ----- | (CJ) 12 | _____ |
| 13 Allocable income (Attach worksheet) ----- | (LS) 13 | _____ |
| 14 Related expenses (Attach worksheet) ----- | (LT) 14 | _____ |
| 15 Balance (Subtract line 14 from line 13) ----- | (LD) 15 | _____ |
| 16 Interest on bonds issued by a regional railway authority in North Dakota ----- | (CM) 16 | _____ |
| 17 Other subtractions (Attach worksheet) ----- | (CO) 17 | _____ |
| 18 Total subtractions (Add lines 10, 11, 12, 15, 16, and 17. Enter amount here and on Form 40, page 1, line 3) ----- | 18 | _____ |

The following questions must be answered

Yes No

- | | | | | | | | | | | | | | |
|--|------|-------|-------|--|--|---|--|--|--|--|--|--|--|
| 1 Has the IRS issued a Final Determination which affects any previously filed North Dakota return? ----- | ➤ 1 | _____ | _____ | | | | | | | | | | |
| 2 If the answer to the above question is yes, have all such adjustments been reported to North Dakota? ----- | ➤ 2 | _____ | _____ | | | | | | | | | | |
| 3 Has Form 1120S been filed for federal purposes? If yes, file North Dakota Form 60, not a North Dakota Form 40. ----- | ➤ 3 | _____ | _____ | | | | | | | | | | |
| 4 Is this return for a tax-exempt organization required to report unrelated business taxable income? ----- | ➤ 4 | _____ | _____ | | | | | | | | | | |
| 5 Has this corporation filed as a cooperative, a Foreign Sales Corporation, or a Domestic International Sales Corporation for federal purposes? ----- | ➤ 5 | _____ | _____ | | | | | | | | | | |
| 6 Does this corporation use the combined report method in any other states? If yes, attach a statement showing all states where the combined report method is used. ----- | ➤ 6 | _____ | _____ | | | | | | | | | | |
| 7 Does this corporation file its federal income tax return as a member of a consolidated group? If yes, please enter the Federal Employer I.D. No. under which the consolidated return is filed. ----- | ➤ 7 | _____ | _____ | | | | | | | | | | |
| (AM) <table border="1"><tr><td></td><td></td><td>-</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> | | | | | | - | | | | | | | |
| | | - | | | | | | | | | | | |
| 8 Does the numerator of the apportionment factor on page 1, line 5 include the property, payroll and/or sales of more than one corporation required to file in this state? If yes:
● Filing method box on page 1, line 1 must have been checked b1, b2, or c1.
● How many corporations are included in the numerator? _____
● Complete North Dakota Schedule CR, Parts I and II reporting the activities of each company apportioning income to North Dakota. ----- | ➤ 8 | _____ | _____ | | | | | | | | | | |
| 9 Is this a limited liability company? ----- | ➤ 9 | _____ | _____ | | | | | | | | | | |
| 10 Is this a Renaissance Fund Organization for purposes of N.D.C.C. ch. 40-63, Renaissance Zones? ----- | ➤ 10 | _____ | _____ | | | | | | | | | | |
| 11 Has this corporation changed names, been involved in a merger, reorganization or takeover during this tax year? If so, provide former name and details of change. ----- | | _____ | _____ | | | | | | | | | | |

(former name)

(Details of change)



Name as shown on return

Federal employer I.D.

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Schedule FACT: Apportionment factor for corporations not filing a consolidated state return

This schedule is to be used for corporations not filing a consolidated tax return, i.e., only corporations using filing method a, b, c, or d on page 1, line 1 are to use this schedule.

Corporations filing a consolidated North Dakota tax return, i.e., those corporations using filing method b1, b2, or c1 on page 1, line 1, use Schedule CR, Part II -- do not use this schedule.

Property Factor: Average value at original cost of real and tangible personal property used in the business. (Exclude value of construction in progress)	1. Total	2. North Dakota	3. Factor
1 Inventories	1		(Use 6-digit decimal only)
2 Buildings and other fixed depreciable assets	2		
3 Depletable assets	3		(North Dakota divided by Total = Factor)
4 Land	4		
5 Other assets (Attach detail)	5		
6 Rented property (Annual rental capitalized x 8)	6		
7 Total Property (Add lines 1 through 6)	7	(BA)	(BB)

Payroll Factor:

8 Wages, salaries, commissions and other compensation of employees which were included in the Federal Form 1120, or Federal Form 1120-A. (If the amount reported in Column (2) does not agree with the total compensation reported for North Dakota unemployment insurance purposes, attach an explanation)	8	(BC)	(BD)
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Sales Factor:

9 Gross receipts or sales, less returns and allowances (Federal Form 1120 or Federal Form 1120-A, line 1c)	9		
10 Sales delivered or shipped to North Dakota destinations	10		
11 Sales shipped from North Dakota to:			
(a) The United States Government	11a		
(b) Purchasers in a state or foreign country where the taxpayer was not subject to a net income tax or a tax measured by net income or, if subject, did not actually pay such tax	11b		
12 Total sales (Add lines 9 through 11)	12	(BE)	(BF)
13 Sum of factors (Add lines 7, 8 and 12)	13		
14 Divide line 13 by the number of factors having an amount greater than zero in column 1, on lines 7, 8 and 12 (enter factor here and on Form 40, page 1, line 5)	14 (BG)		



Name as shown on return _____

Federal employer I.D.

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Schedule TC: Tax credits

This schedule is to be used by all corporations regardless of filing method.

Corporations filing a consolidated North Dakota tax return, i.e., those corporations using filing method b1, b2, or c1 on page 1, line 1, report each corporation's separate credits on Schedule CR, Part I, line 17 under each corporation's separate column, and report the total credit(s) here.

- | | |
|--|---------------|
| 1 Credit for contributions to nonprofit private colleges ----- | (LK) 1 _____ |
| 2 Credit for contributions to nonprofit private high schools ----- | (LL) 2 _____ |
| 3 Venture capital corporation credit ----- | (LU) 3 _____ |
| 4 North Dakota Small Business Investment Company ----- | (LW) 4 _____ |
| 5 Geothermal, solar or wind energy device tax credit (Attach worksheet) ----- | (LM) 5 _____ |
| 6 Credit for employment of the developmentally disabled or chronically mentally ill ----- | (LX) 6 _____ |
| 7 Credit for research and experimental expenditures within North Dakota (Attach worksheet) ----- | (LY) 7 _____ |
| 8 Tax credit for new industry (Attach worksheet) ----- | (AK) 8 _____ |
| 9 Credit for payment to a certified nonprofit development corporation ----- | (AG) 9 _____ |
| 10 Renaissance zone tax credit(s) (Enter amount from Schedule RZ) ----- | (RC) 10 _____ |
| 11 Credit for biodiesel fuel production (Attach worksheet) ----- | (LO) 11 _____ |
| 12 Credit for seed capital business investment (Attach worksheet from page 8 of instructions) ----- | (TS) 12 _____ |
| 13 Credit for blending biodiesel fuel (Attach worksheet) ----- | (TD) 13 _____ |
| 14 Credit for biodiesel fuel sales equipment costs (Attach worksheet) ----- | (TF) 14 _____ |
| 15 Agricultural commodity processing facility investment tax credit (Attach worksheet from page 9 of instructions) ----- | (TE) 15 _____ |
| 16 Total tax credits (Add lines 1 through 15. Enter amount here and on Form 40, page 1, line 17) ----- | 16 _____ |



Name as shown on return

Federal employer I.D.

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Schedule WW: Combined report method income schedule

1	Federal taxable income (consolidated Federal Form 1120, line 30)	(LA) 1	_____
2	Taxable income or loss included on line 1 from nonunitary corporations (Attach worksheet)	(WN) 2	_____
3	Balance (Subtract line 2 from line 1)	3	_____
4	Taxable income or loss not included on line 1 from unitary corporations required to file a federal income tax return (Attach worksheet)	(WU) 4	_____
5	Book income before income taxes of unitary foreign corporations (Attach worksheet)	5	_____
6	Optional: Book to tax reconciliation (Attach worksheet)	6	_____
7	Subtotal (Add lines 5 and 6)	(WF) 7	_____
8	Income or loss from Interest Charge DISC (Attach worksheet)	8	_____
9	Income or loss from Foreign Sales Corporations (Attach worksheet)	9	_____
10	Subtotal (Add lines 8 and 9)	10	_____
11	Income or loss from Internal Revenue Code of 1986, as amended, Section 936 Possession Corporations	11	_____
12	Intercompany eliminations for members of the unitary group (Attach worksheet)	12	_____
13	Total income (Add lines 3, 4, 7, 10 and 11 then subtract line 12. Enter amount here and on Form 40, page 1, line 1, and check box b, b1, or b2 on Form 40, page 1, line 1)	(WW) 13	_____

Combined report method instructions

An apportioning corporation which is a member of a unitary group but has not elected the water's edge method is required to file its North Dakota income tax return using the combined report method. (see *method of corporation taxation on page 3 of General Instructions*)

A "unitary group" is a group of affiliated corporations engaged in a unitary business, irrespective of the country or counties in which the corporations conduct business activity.

An "affiliated corporation" means a parent corporation and any corporation of which more than fifty percent of the voting stock is owned directly or indirectly by the parent corporation or another member of the unitary group.

Two or more 100% North Dakota corporations affiliated as parent and subsidiary, and filing a consolidated federal tax return must file one consolidated North

Dakota return using the "combined report method."

A corporation filing its North Dakota income tax return using the combined report method must include only the apportionment factors and statutory adjustments of the group.

Corporations completing Schedule CR must also complete Schedule WW to arrive at "total income."

Schedule WW specific line instructions

Line 1. Enter the amount from line 30 of the consolidated Federal Form 1120. If more than one consolidated federal return is filed, enter the total of lines 30 of the consolidated Federal Form 1120's. If a consolidated federal return is not filed, enter zero on lines 1 and 2 then proceed to line 4.

Line 5. Enter the amount of book income before income taxes of all unitary foreign

corporations not eligible to be included in the consolidated federal income tax return or not required to file a federal income tax return.

Line 6. North Dakota Admin. Code 81-03-05.3 provides a choice either to adjust or not adjust the book income of all unitary foreign corporations to conform with the Internal Revenue Code of 1986, as amended. If a corporation chooses to make

the book to tax adjustments, the adjustments must be made for all unitary foreign corporations and the total of such adjustments must be entered on line 6. If a corporation chooses not to make the book to tax adjustments, enter \$0 on line 6.

Lines 8 and 9. Enter all exempt and nonexempt income before income taxes from the Federal Form 1120-IC-DISC or Federal Form 1120-FSC.



Name as shown on return

Federal employer I.D.

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Schedule WE: Water's edge method income schedule

1	Federal taxable income (consolidated Federal Form 1120, line 30) _____	(LA) 1	_____	Worksheets containing details of lines 2, 3, 4 and 5 are required
2	Income or loss not included in line 1 from affiliated corporations required to file a federal income tax return _____	2	_____	
3	Reversal of intercompany eliminations between water's edge corporations and non-water's edge corporations (Attach worksheet) _____	3	_____	
4	Intercompany eliminations for water's edge group corporations _____	4	_____	
5	Total foreign dividends included in line 1 _____	5	_____	
6	Taxable income or loss included in line 1 or 2 from 80/20 corps. _____	6	_____	
7	Balance (Add lines 1, 2 and 3 then subtract lines 4, 5 and 6) _____	7	_____	
8	Foreign dividends to be included in water's edge income (Multiply line 5 by 30%) (See general definitions) _____	8	_____	
9	Total net book income of 80/20 corporations (Attach worksheet) _____	9	_____	
10	Net book income of 80/20 corporations to be included in water's edge income (Multiply line 9 by 30%) _____	10	_____	
11	Total water's edge income (Add lines 7, 8 and 10. Enter amount here and on Form 40, page 1, line 1, and check box c or c1 on Form 40, page 1, line 1) _____	(WE) 11	_____	

Water's edge method election instructions

A corporation required to file its North Dakota return using the worldwide unitary combined report method must do so unless it elects to apportion its income using the water's edge method.

A corporation elects and maintains the water's edge method election by checking the box entitled "Water's Edge Method" on page 1, line 1, and completing Schedule WE.

A corporation electing the water's edge method must comply with all of the following:

- The election must be made on the return as originally and timely filed;

- The corporation may not reduce taxable income for federal taxes deducted under N.D.C.C. 57-38-01.3(1)(c);
- The water's edge election is binding for five consecutive taxable years upon making the election; and
- The corporation must file with the Tax Commissioner a domestic disclosure spreadsheet the first year the property, payroll, or sales in foreign countries exceed ten million dollars and total assets exceed two hundred fifty million dollars, and every third year thereafter provided the property, payroll, or sales in foreign countries exceed ten million dollars and total assets exceed two hundred fifty million dollars. The

domestic disclosure spreadsheet must be filed by a corporation with its North Dakota income tax return. However, if the information is not available when the return is filed, a corporation may file the spreadsheet within six months after the due date of the return, including any extensions. The form for complying with the spreadsheet requirement must be obtained from the Office of State Tax Commissioner.

A corporation electing the water's edge method must include only the apportionment factors and statutory adjustments of the water's edge group.

Schedule WE general definitions

"Water's edge group" includes affiliated corporations incorporated in the U.S., excluding 80/20 corporations, affiliated corporations incorporated in a possession of the U.S., DISCs, FSCs, export trade corporations and foreign affiliated corporations which meet a defined minimum of U.S. activity.

"Affiliated corporation" means a parent corporation and any corporation of which more than fifty percent of the voting stock is owned directly or indirectly by the parent corporation or another member of the water's edge group.

"Reversal of intercompany eliminations between water's edge corporations and 80/20 corporations" means the reversal of eliminations made between water's edge corporations and 80/20 corporations that are included in the federal consolidated return. Dividends, interest, royalties, capital gains and losses, intercompany profit on sales,

etc. between water's edge corporations and 80/20 corporations that have been eliminated in preparing the consolidated federal return must be reversed.

"Intercompany eliminations for water's edge group corporations" are eliminations of intercompany transactions between companies included in line 1 and companies included in line 2.

"80/20 corporation" is a corporation that is incorporated in the U.S., is eligible to be included in the federal consolidated return as defined in N.D.C.C. § 57-38.4-01(5) and has eighty percent of its average property and payroll assigned to locations in foreign countries.

"Foreign dividends" means any dividend received by a member of the water's edge group from any affiliated corporation

incorporated outside the fifty states and District of Columbia, including amounts included in income computed under sections 951 through 954 of the Internal Revenue Code of 1986, as amended.

"Net book income of an 80/20 corporation" means net book income for financial statement purposes. However, a corporation's net book income cannot be offset by a net book loss from another 80/20 corporation.

"Rescission of a water's edge election". A corporation's water's edge election is rescinded if:

- It has had more than 50% of its voting stock acquired by a nonaffiliated corporation;
- It was formed as the result of a reorganization or spinoff and is no longer a member of the water's edge group; or
- It is completely liquidated. The water's edge election of any corporation receiving liquidated assets is not affected.



Name as shown on return

Federal employer I.D.

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Schedule CR, Part I: Computation of tax due for corporations filing a North Dakota consolidated return using the combined report method

List only corporations apportioning income to North Dakota (i.e., include only companies having a factor greater than -0- in North Dakota)	Corporation	Name of corporation	Federal Employer I.D.	
	A	B	C	
	A			
	B			
	C			

	Corporation A (name)	Corporation B (name)	Corporation C (name)
4 North Dakota apportionable income (Enter amount in Columns A, B & C from Form 40, page 1, line 4) -----	4 _____	_____	_____
5 Apportionment factor (Enter factor from part II, line 14) -----	5 _____	_____	_____
6 Income apportioned to North Dakota (line 4 multiplied by line 5) -----	6 _____	_____	_____
7 Income allocated to North Dakota \$ _____ less related expenses \$ _____	7 _____	_____	_____
8 North Dakota income (Add lines 6 and 7) -----	8 _____	_____	_____
9 Exemption for new and expanding business (Attach worksheet) -----	9 _____	_____	_____
10 Renaissance zone income exemption -----	10 _____	_____	_____
11 ND income after income exemptions (Subtract lines 9 and 10 from line 8) -----	11 _____	_____	_____
12 North Dakota loss carryforward (Attach worksheet) -----	12 _____	_____	_____
13 North Dakota taxable income (Subtract line 12 from line 11) -----	13 _____	_____	_____
14 Income tax due (See tax rate table on Form 40, page 1) -----	14 _____	_____	_____
15 Surtax on water's edge method election (3.5% of amount on line 13) -----	15 _____	_____	_____
16 Total North Dakota income tax due (add lines 14 and 15) -----	16 _____	_____	_____
17 Tax credits (Enter each company's share of credits reported on Schedule TC) -----	17 _____	_____	_____
18 Net income tax liability (subtract line 17 from line 16) -----	18 _____	_____	_____
18a Net income tax due (add amounts on line 18, for all corporations. Enter total here and on Form 40, page 1, line 18 and complete lines 19 through 21, on Form 40) -----	(GA) 18a _____		

Instructions for consolidated return using the combined report method

All corporations filing a consolidated North Dakota return, (i.e. unitary groups including more than one company on this return) must complete the two parts of Schedule CR and attach the completed schedule to Form 40 when filed.

Space has been provided for three corporations (corporations A, B & C) having activity within North Dakota. If space is needed for additional corporations having activity within North Dakota, additional copies of Schedule CR can be obtained by

photocopying both parts of this original schedule or by requesting additional copies from the Office of State Tax Commissioner.

Complete Form 40, page 1, lines 1-4 before starting to complete Schedule CR, part I.

Schedule CR has been designed so the instructions for Form 40 in the booklet also apply to the line numbers on Schedule CR. For example, the instructions for Form 40, page 1, lines 6-18 also apply to Schedule CR, part I, lines 6-18.

After completing Schedule CR, part I, certain totals must be entered on Form 40. For each line 6, 7, 9, 10, 12, 14, 15, 16 and 17, total the amounts for all corporations included on Schedule CR, part I. Enter the total from lines 7 onto line 7 of Form 40, page 1; enter the total from lines 9 onto line 9 of Form 40, page 1; and so forth for all lines through 17.



Name as shown on return

Federal employer I.D.

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Schedule CR, Part II: Computation of factor for corporations filing a North Dakota consolidated return using the combined report method

(Use 6-digit decimal only)

Property Factor:

Average value at original cost of real and tangible personal property used in the business. (Exclude value of construction in progress)

North Dakota Average Property

Average Property:

Everywhere
Average Property of
All Corporations
Being Combined

Corporation A

Corporation B

Corporation C

(name)

(name)

(name)

- 1 Inventories _____ 1 _____
- 2 Buildings and other depreciable assets _____ 2 _____
- 3 Depletable assets _____ 3 _____
- 4 Land _____ 4 _____
- 5 Other assets (attach detail) _____ 5 _____
- 6 Rented property (annual rental capitalized x 8) _____ 6 _____
- 7 Total average property (Add lines 1 through 6) _____ 7 _____

7a Property factor (Divide N.D. total average property by total everywhere average property) _____

7a _____

7b Total property factor (Add amounts on line 7a, columns A, B & C) _____

(BB) 7b _____

Payroll Factor:

Wages, salaries, commissions and other compensation of employees which were included in the Federal Form 1120 or Federal Form 1120-A.

Everywhere Payroll
All Corporations
Being Combined

North Dakota Payroll

Corporation A

Corporation B

Corporation C

8 Payroll _____ 8 _____

8a Payroll factor (Divide N.D. payroll by everywhere payroll) _____

8a _____

8b Total payroll factor (Add amounts on line 8a, columns A, B & C) _____

(BD) 8b _____

Sales Factor:

Gross receipts or sales, less returns and allowances from Federal Form 1120 or Federal Form 1120-A, line 1 (c).

Everywhere Sales
All Corporations
Being Combined

North Dakota Sales

Corporation A

Corporation B

Corporation C

9 Everywhere sales _____ 9 _____

10 Sales delivered or shipped to North Dakota destinations _____ 10 _____

11 Sales shipped from North Dakota to: _____ 11 _____

(a) The United States Government _____ 11a _____

(b) Purchasers in a state or foreign country where the taxpayer was not subject to a net income tax or a tax measured by net income, or if subject, did not actually pay such tax _____ 11b _____

(c) Total North Dakota Sales (Add lines 10, 11a and 11b) _____ 11c _____

12 Sales Factor (Divide total N.D. sales by everywhere sales) _____ 12 _____

12a Sales Factor (Add amounts on line 12, columns A, B & C) _____

(BF) 12a _____

13 Sum of the factors (Add lines 7a, 8a and 12) _____ 13 _____

14 Apportionment Factor (Divide line 13 by the number of factors having an amount greater than zero in the everywhere column on lines 7, 8 and 9) (Enter factor here and on part I, line 5.) _____ 14 _____

14a Total factor (Add amounts on lines 7b, 8b and 12a. Divide the sum by three, and enter the total amount here and on Form 40, page 1, line 5) _____

(BG) 14a _____